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AMERICAN INTELLIGENCE:
A FRAMEWORK FOR THE FUTURE

CIA Study Group
13 October 1975

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EXECUTIVE SUMMARY

For the past year American intelligence has been subjected to intense scrutiny by both the press and Congress. In early 1975 the President established the Rockefeller Commission, and the Senate and House each established a Select Committee to investigate the American intelligence system and make recommendations for change. The Rockefeller Commission focused on alleged improprieties in the domestic area and recommended ways to prevent the American intelligence system from posing any threat to civil liberties. The Congressional investigations still underway are broader. They have a mandate to consider the full range of questions dealing with intelligence, from constitutional issues to the quality of the product.

These developments led the Director of Central Intelligence to commission this study, in the belief that a thorough analysis of American intelligence by a group of experienced professionals could make a useful contribution to the ultimate decisions to be made.

This paper does not address past excesses or steps to correct them. Nor does it address the related issue of oversight. We fully recognize the need for stronger oversight, but we believe the appropriate arrangements for this function require more than an intelligence perspective.

This study concentrates on basic issues which will need consideration in any reorganization of American intelligence. The President has a particular opportunity not available to his predecessors, who saw to varying degrees a need for basic reform in the intelligence structure but also recognized that basic reform could not be carried out without amending the National Security Act. Now the Act is certain to be reconsidered, with or without a Presidential initiative.

The intelligence structure must be made more efficient and effective. It must also be made more acceptable to the American polity. Thus, efficiency achieved through rationalization and centralization of authority is not the only test. Structural improvements must be accompanied by provisions for external controls and internal checks and balances, even at a cost in efficiency, to develop and sustain public confidence. Changes in the elaborate structure in being must also be justified by the improvements which would be achieved. These must be weighed against the losses and disruption which would result from altering the existing machinery; our recommendations must build upon the present, rather than start from scratch.

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Part I describes the present environment of intelligence. Part II focuses on present problems in the organization and management of intelligence, emphasizing the central role of the Director of Central Intelligence and the difficulties in meeting his extensive responsibilities with the limited authorities vested in him. The expanding breadth and depth of national requirements for intelligence and the growing sophistication of the technology developed to meet them add year by year to the difficulty of this management task. We place particular stress on two problems:

-- First, the relationship between the DCI, who has at least nominal responsibility for all US intelligence, and the Secretary of Defense, who has operating authority over the bulk of its assets. This relationship is ill-defined and hampers the development of a coherent national intelligence structure.

-- Second, the ambiguity inherent in the current definition of the DCI as both the head of the Intelligence Community and the head of one element of the Community. This poses internal management problems for CIA and also reduces the DCI's ability to carry out effectively his Community role.

Part III outlines three basic approaches to organizing the Intelligence Community. These are:

-- Transfer most national intelligence activities out of the Department of Defense into a reconstituted and renamed Central Intelligence Agency, responsible for servicing the fundamental intelligence needs of both the nation's civilian and its military leadership.

-- Absorb the Central Intelligence Agency within the Department of Defense, eliminating the DCI's role as it has been conceived since 1947 and placing responsibility for effective coordination of all American intelligence on a Deputy Secretary of Defense for Intelligence who would absorb the Community responsibilities now exercised by the DCI, as well as those exercised by the present Assistant Secretary of Defense/Intelligence.

-- Leave mostly unchanged the division of labor between Defense and CIA which has evolved since 1947 and, instead, focus on the office of the Director of Central Intelligence; modifying that office, and its authorities, in ways that will enhance the DCI's ability to play a more effective role in contributing to the overall effectiveness of the Intelligence Community, at the same time reducing his direct involvement in managing CIA.

The study argues that fundamental political problems and the unquestioned need to maintain both Defense

involvement in intelligence operations and an independent CIA preclude the first two of these solutions.

The third basic approach structures the office of the DCI so that its holder can discharge the responsibilities of Community leadership without adversely affecting the legitimate interests of the Departments of State and Defense. The DCI clearly needs a stronger voice in decision making on fundamental substantive intelligence judgments and on management issues in the Intelligence Community. At the same time, individual program managers in Defense need to retain considerable latitude and flexibility in the conduct of day-to-day operations. Both goals can be met by increasing the DCI's voice in the processes which determine how intelligence judgments are made and disseminated and how resources -- money and people -- will be allocated in the Community, while preserving an independent CIA and continuing Defense responsibility for actual operation of most present programs.

There immediately arises, however, a critical choice, namely whether:

1) The DCI is to be responsible in a major way for stewardship of the resources this nation devotes to intelligence and, simultaneously, to be the nation's principal substantive foreign intelligence officer, or

2) The substantive and resource management responsibilities are to be split with the DCI being replaced by two senior officers; one charged exclusively with resource management and the other with substantive responsibilities.

For reasons explained, we reject the second of these choices and argue that the Community leadership role must include responsibility for both resource and substantive matters. We present two options for restructuring the office of the DCI, leading to two quite different DCIs of the future.

In the first option, the DCI retains direct responsibility for CIA and a staff role with respect to the balance of the Intelligence Community. This option would much resemble present arrangements, but would differ from them in several significant respects. This DCI's ability to influence decision making on certain important issues would be enhanced somewhat by creation of an Executive Committee, under his chairmanship, for the Consolidated Cryptologic Program, along the lines of the present arrangement with respect to the National Reconnaissance Program. His line responsibility for management of CIA would be reduced by creation of two statutory deputy directors, one responsible for day to day supervision of CIA and one for Intelligence Community coordination.

Implementation of this option would improve in important ways the overall management arrangements which currently exist within the Intelligence Community. The study group is convinced, however, that the changes needed are more fundamental than those reflected in this option, and that an opportunity for effecting such basic changes now exists.

The second option would create a new kind of DCI called the Director General of Intelligence (DGI). He would be separated by statute from the present CIA, which would be renamed the Foreign Intelligence Agency (FIA), with its own Director (D/FIA). Funds for most US intelligence programs would be appropriated to the DGI, then allocated by him to program managers for actual operations. The DGI would assume broad substantive production and resource coordination functions and would receive staff support to exercise both responsibilities. Finally, the DGI would be a statutory member of the National Security Council with concomitant access to the President and standing with the Secretaries of State, Treasury and Defense.

Under this arrangement, two important and interrelated questions must be answered:

-- To whom should the Director of the FIA report; specifically, should he report directly to the NSC (as does the present DCI), or should he report to the NSC through the DGI, himself a member of the NSC?

-- Should the DGI's staff include the production elements of CIA or should these remain in the new FIA?

We present two workable solutions to the problems raised by these questions. Both have important advantages and serious disadvantages. The study group did not make a choice between them. A chart of these organizational choices appears opposite page 85.

If fundamental change could be at least contemplated in 1971, it is a central issue in 1975. Current political developments suggest that the National Security Act of 1947 will be rewritten, at least to some degree. Our analysis of the Act and the intelligence structure it established convinces us that it should be. We have made no effort in the pages which follow to set forth how precisely the law should be rewritten, but rather have addressed the broad principles which we believe should be incorporated in such an effort. It is not an exaggeration to observe that we are fast approaching an historical moment and unique opportunity to charter the Intelligence Community to meet future needs for effective intelligence support. It may be another 25 years before events provide the President a comparable opportunity. Our detailed recommendations are presented at the end of Part III.

PART I
INTRODUCTION

The Central Intelligence Agency and the outlines of a national intelligence structure were created by the National Security Act of 1947. They grew out of a consensus -- in Congress, the Executive Branch, and major elements of public opinion -- that the experience of World War II ("No more Pearl Harbors") and the emergence of the United States as the first superpower required the creation of a permanent national intelligence structure.

Today that structure is under intense examination, and the consensus out of which it grew has been seriously eroded. Moreover, 28 years of experience suggest that the intelligence provisions of the Act are obsolete and too weak a foundation for the large and complex system that has evolved over that period. This paper examines some of the problems that beset American intelligence today. It recommends ways the structure might be modernized and broad support for it restored. Both are necessary, and the former cannot be achieved without the latter.

In 1947 Congress had in mind the creation of a small independent agency, not subordinate to any Cabinet Department, to "correlate and evaluate" the product of the existing, largely military, agencies responsible for strategic intelligence -- a term then understood to cover primarily the military intentions and capabilities of potential enemies. The Congress placed on the

Director of Central Intelligence responsibilities thought to be modest and provided him with what it considered commensurate authorities. After almost three decades, it is apparent that the contribution of America's intelligence organizations is immeasurably important, that the responsibilities imposed by Congress are enormous and that the authorities it provided are less than adequate.

Those who drafted and enacted the National Security Act of 1947 neither anticipated nor could have foreseen:

-- That by 1975 the national intelligence effort would become a major part of Government, larger in the peace of 1975 than in the war of 1945.

-- That the definition of strategic intelligence would expand to cover diplomacy, commerce, economics, and sociological and political trends worldwide, as well as the more traditional military considerations.

-- That the extraction of intelligence from closed societies capable of threatening major US interests, or even survival, would require the development of large, complex, and expensive collection systems; and that efficient employment of these systems in the national interest would require central, unified management.

-- That the Act would not provide a basis for resolution of important management problems, primarily

involving the Department of Defense, inherent in the development of these major systems.

-- That incorporating within the new CIA the operational elements of OSS, but not its analytic ones, would require CIA to start from scratch in its primary function -- collation and analysis -- with a staff heavily oriented toward espionage and action.

-- That the onset of the Cold War would compound this problem by creating a critical need for a national covert action arm, a responsibility that would logically and naturally be assigned to the CIA at some further cost to its original mission, thereby causing it to become publicly identified with covert action rather than with correlation and evaluation.

-- That the silence and total secrecy traditionally maintained by governments about their intelligence activities would prove impossible to maintain in the United States when its intelligence structure grew large and complex.

-- That, further, such secrecy would be considered inappropriate within the American political system for something playing so pervasive and so critical a role in decisions vital to the national interest.

With respect to the last point, the framers of the Act evidently believed that the intelligence tradition of silence and discretion could be maintained in

the United States. The OSS-trained cadre of CIA were thus encouraged to follow this path. Secrecy was established, but at significant cost: it prevented the education of the public and of all but a few Congressmen in the realities of intelligence and helped to insulate intelligence itself from detailed oversight.

Intelligence thus had as its political base only a small group of senior Congressmen, who both protected it from and blocked its exposure to their colleagues. Over a quarter of a century, however, age and electoral defeat took their toll of this small group of Congressional elders. The position of those who remained in Congress was weakened, partly because the national attitudes of the 1940-1945 period were changed and the consensus they reflected was eroded by the Vietnam War and by Watergate. Intelligence became exposed to a rapidly growing new generation of national leadership that shared neither its traditions nor its view of the world. The oversight of intelligence became a battlefield both in the generational struggle within Congress and in the overall struggle between Congress and the Executive Branch.

The national turmoil of recent years had two other related effects: intelligence security was damaged and the public was presented with a distorted image of intelligence. The intensity of political emotion generated by the Vietnam War led to intelligence being leaked by both supporters and opponents of that war for advantage in partisan debate, and the atmosphere

thus created led to a breakdown in intelligence discipline. When subjected to the investigative reporting in vogue since Watergate, some intelligence activities were exposed for the sake of exposure, or at the behest of a "higher morality." Many skeletons -- real and imagined -- were dragged from the intelligence closet. Disclosure of some activities that were illegal and others which were injudicious gave ammunition to those hostile to intelligence itself. Further, those encouraged by recent events to believe the worst of their Government have been tempted to accept at face value often exaggerated imputations of impropriety to legitimate activities.

This, then, is the dilemma for American intelligence in 1975. It has failed to win public acceptance, partly because public attitudes have changed, partly because its own secrecy has prevented it from educating the public to the need for intelligence and to the costs, moral and monetary, of getting it. Yet the nation's need for foreign intelligence has never been greater.

To the intelligence officer, if Pearl Harbor was a valid reason for creating a national intelligence system in 1947, the possibility of a Soviet first strike is an equally valid reason for strengthening it today. The argument that nuclear war is unthinkable, or that the construction of nuclear armaments is driven by the military-industrial complex, is to him largely irrelevant; so long as the USSR continues to build and improve its strategic forces, the US must know how and why.

To the intelligence officer, the new challenges of supporting negotiations and agreements on arms limitation and force reduction give rise to important new requirements and demanding new methodological approaches. At the same time, the increasingly complex environment confronting military field commanders leads to difficult new challenges for intelligence support.

To the intelligence officer, the knowledge that the world's resources are finite, and that population growth is rapidly overtaking food and energy supplies, means that national interests once considered important will soon become vital. When there is not enough to go around, intelligence on the capabilities and intentions of foreign producers and consumers becomes as essential to the survival of the United States as intelligence on Japanese intentions was in 1941.

To the intelligence officer, the turmoil afflicting much of the world in many cases directly affects important American interests; he sees in this new demands for intelligence on the political and social forces in foreign societies.

Pursuit of such intelligence has required the development of procedures, techniques, and programs far beyond any conceived in 1947. These have added a new dimension to the concept of intelligence, and demonstrated to the satisfaction of the Executive -- over a number of Administrations -- that a copious flow of

quality intelligence is essential to the conduct of national security policy in today's complex world.

But these efforts have sometimes been wasteful and the product sometimes less useful than it might have been, to a considerable extent because neither the organization nor the management of the national intelligence structure has kept pace with the evolving complexity of its techniques and the expanding scope of the requirements placed upon it. The Act of 1947 did not provide the DCI with authorities and an administrative structure adequate for the management of the Intelligence Community in 1975. Instead, there has evolved an accretion of improvised structures, lacking statutory basis, over which the DCI exercises varying degrees of influence.

There are therefore two sets of needs: to restore public confidence and to establish a sound statutory basis for American intelligence for the future. These are not irreconcilable. The President, in meeting Congressional requirements for reforms in the conduct of intelligence, can at the same time meet the Executive requirement for fundamental improvements in its management.

Any President will probably:

-- Want a strong intelligence system, including a responsive covert action capability.

-- Want reassurance that the system is under control.

-- Want the system run efficiently, with due regard for budgetary considerations.

-- Want intelligence activities not to be a source of political difficulty or embarrassment.

-- Want independent advice, particularly in time of crisis, from capable people primarily loyal to the Presidency and independent of the departments that execute policy.

-- Want a system that can function well in both peace and war.

This President has a particular opportunity not available to his predecessors, who saw to varying degrees a need for basic reform in the intelligence structure but also recognized that basic reform could not be carried out without amending the National Security Act. This they were unwilling to undertake. Now, however, the Act is certain to be reconsidered, with or without a Presidential initiative.

The intelligence structure must be made more efficient. It must also be made more acceptable to the American polity. Thus, efficiency cannot be achieved simply by rationalization and centralization of authority. Structural improvements must be accompanied by provisions for external controls and internal checks and balances, even at a cost in efficiency, in order to develop and sustain public confidence. Congress and the public must be satisfied that foreign intelligence activities pose no domestic threat and that such a threat cannot be created. Parts II and III which follow are addressed to efficiency

and needed changes in the organization and management of intelligence.

There are two other aspects to the question of confidence: how to establish effective Executive and Legislative oversight of intelligence; and how to reconcile the need for secrecy in intelligence with greater public pressure for disclosure and accountability. We fully recognize the need for stronger oversight, but we believe it inappropriate for intelligence officers to suggest how they might themselves be overseen.

On the other hand, the need for secrecy is critical to the continued effectiveness of American intelligence. Intelligence operations require some measure of secrecy and cannot be conducted unless Congress and the public accept this fact. This is not impossible. The public accepts -- because it understands -- the need for secrecy in a wide range of private and public matters from the lawyer-client relationship to the Federal Reserve's interventions in the nation's monetary system.

The issue of secrecy, however, is complex: Resolving the problems it raises in our society requires a fresh analysis of what aspects of intelligence actually require protection (of what kinds and to what extent), a fresh analysis of the concepts involved, and a careful examination of the kind of legislation needed. These issues go beyond the scope of this paper and should be the subject of a separate study.

PART II

ORGANIZATION AND MANAGEMENT

PROBLEMS IN THE INTELLIGENCE COMMUNITY

At this writing, the "intelligence problem" is often described as one of combatting an assault on civil liberties. The professional intelligence officer, however, sees a different problem and views it from a different perspective. He believes that domestic civil liberties are not seriously threatened by the US Government's foreign intelligence activities. These domestic liberties could be seriously threatened, however, by a foreign adversary whose capabilities and intentions were not understood by our Government. The intelligence officer, in short, sees himself as the protector -- not the subverter -- of his fellow citizens' liberties. For him, the "intelligence problem" is defined by the need to improve our Government's foreign intelligence capabilities to the highest attainable degree. He is, however, fully aware of the need to protect civil liberties; the suggestions that follow do not in any way impinge upon them.

This paper addresses the organization and management of US intelligence from the point of view of the professional, describing the present state of US intelligence and cataloguing some of its problems. Because we are proposing changes, our emphasis is necessarily on those things we think need to be changed, and not on the many strengths of American intelligence. Equally important, it must be noted that our concern with the

organization and management of intelligence is based on a conviction that these issues are important determinants of the ultimate quality of the intelligence product: its scope, perceptiveness, timeliness and even availability.

Of these issues, several of the most important involve the Office of the Director of Central Intelligence. This paper therefore discusses:

-- The central role of the DCI as it is defined by law and as it is in fact.

-- His relations with the Departments of Defense and State.

-- His management of CIA: why it complicates the discharge of his responsibilities for the Intelligence Community.

-- How various DCIs and Administrations have handled this office, and how it appears now.

THE CENTRAL ROLE OF THE DCI

Statutory Basis

The present American intelligence structure derives from the National Security Act of 1947.* Laying the foundation for a national intelligence structure was

* *The Central Intelligence Act of 1949 only clarified certain administrative authorities of the DCI.*

neither the primary purpose of that legislation, however, nor the topic on which its drafters focused the bulk of their attention. Their main purpose was to merge the old War and Navy Departments into a new Department of Defense under a civilian secretary, establish the Air Force as a separate service, and sketch the outlines of the National Security Council. The intelligence portions of the Act were secondary.

The Act's legislative history suggests that those who wrote its intelligence sections had a clear purpose in mind but knew they were venturing into uncharted waters. There is also a suggestion that they planned a second look at the intelligence portions of the Act in a few years to make more permanent arrangements in the light of experience. They certainly do not seem to have realized that they were laying a foundation which would last without significant legislative change for more than a quarter of a century.

The Act implicitly makes the DCI the leader of something that has come to be called the "Intelligence Community." It does not, however, specify his functions beyond providing that the CIA which he heads should "correlate and evaluate" and "perform...services of common concern...[that] can more efficiently be accomplished centrally." Nor does it provide him with specific authorities over the agencies that now make up the Community.

On 1 November 1971 President Nixon signed a directive, developed by an Executive Branch task force on intelligence headed by the present Secretary of Defense, which elaborated and made explicit certain responsibilities of the DCI only implicit in the Act. In so doing, that directive increased the DCI's responsibilities without increasing his powers. He was directed to:

-- Plan and review all intelligence activities including tactical intelligence, and the allocation of all intelligence resources.

-- Produce national intelligence required by the President and other national consumers.

-- Chair and staff all Intelligence Community advisory boards or committees.

-- Reconcile intelligence requirements and priorities with budgetary constraints.

The Three Roles of the DCI

On the skeleton provided by these two documents* there has grown, by accretion, a congeries of bureaucratic mechanisms, doctrines, and the equivalent of

* *Much of the following discussion concentrates on formal responsibilities and authorities. It should be recognized, however, that the effectiveness of each DCI has been directly proportional to the confidence placed in him by the President and Congress and the belief of his colleagues in the Community that he had that confidence.*

case law precedents all centering on the institution that we call the DCI. To understand, one must first define some terms. First, what is the national intelligence that the DCI is supposed to produce? Second, what are the functions he must carry out to produce it? Third, what is the Community he is supposed to lead? Fourth, what management tools are available to him as leader?

-- National Intelligence is used here to denote that foreign intelligence needed by the senior levels of Government to do their job in making and implementing policy.

-- This paper discusses the production of national intelligence in terms of six functions: the collection of information, its processing, its analysis, the presentation of findings and judgments, research and development, and support. Covert action, broadly defined, is a separate area of DCI responsibility, which employs assets also used in collection but is not directly related to the production of national intelligence.

-- The composition of "The Community" is a complicated question, discussed in detail in Annex A. There are separate, though overlapping, communities of collectors, producers, resource managers, and consumers, each with a few primary members and several peripheral ones.

-- Management tools or controls include the line authority the DCI exercises over the Central Intelligence Agency, and four instruments by which he can exert influence over the Community: (a) the management of resources: including manpower, money, and -- peculiar to intelligence -- cover; (b) collection management: by which we mean the allocation of collection resources to substantive requirements, specific tasking of those resources, the continuing review and assessment of collection results, and the identification of collection gaps and deficiencies; (c) product review: which includes both the final shaping of the intelligence product to match the needs of the national consumer and a continuing evaluation of the product against those needs; and (d) inspection. All of these except inspection are interdependent.

In some senses, the DCI is a member of all the communities identified above, although in precisely what sense is not always clear. He wears three hats -- as Presidential advisor, as head of "the Community" and as line manager of CIA -- but his hats by no means correspond fully with the four functional communities. Moreover, he also has responsibilities to the Congress that represent a complicating factor.

-- The DCI as Presidential advisor. In this capacity he is the primary source of national intelligence for the President and the NSC. He personally

advises the President and the NSC on all foreign intelligence matters, including budget, and serves on the various NSC sub-Committees.

-- The DCI as head of the Community. Here the DCI is the primary source of national intelligence for the Federal Government and is its senior foreign intelligence advisor. He coordinates, to varying degrees, administrative and operational matters that concern more than one intelligence agency. He advises the President on the Community budget. For the Congress, he provides intelligence, defends the Community budget, and advises on foreign intelligence matters.

-- The DCI as Manager of CIA. As the head of CIA, the DCI is a line officer administering a large independent agency under the NSC. He is a producer of intelligence for the mechanisms over which he presides in his two other roles. In addition, he has a specialized line function as the agent of the NSC in the conduct of foreign policy through covert action. For the Congress, this DCI too is a source of foreign intelligence. Congress expects him to present and defend CIA's budget, and to account for its performance. He is also required to inform the Congress of covert action programs.

Schematically, the DCI's various roles and functions can be illustrated as follows:

	Executive	Congressional
As Presidential Advisor	- Provides national intelligence - Advises on intelligence	
As leader of Community	- Produces national intelligence ---------- - Advises on Community budget ----------	- Provides intelligence - Defends Community budget
As Director of CIA	- Coordinates Community-- - Produces intelligence-- - Runs CIA ---------- - Carries out covert action programs -------	- Advises on intelligence - Provides intelligence - Defends CIA Budget - Accounts for its activities - Informs on covert action programs and defends them in the appropriations process

Authorities of the DCI

Charts such as this are misleading, for they suggest the DCI has great authority. This is true more in principle than in fact. In his capacity as Chairman of the United States Intelligence Board (USIB), for example, he has less authority than is suggested by the fact that, on paper, the USIB is only advisory to him as Chairman. Even the "observers" at USIB have the right to dissent from the DCI's Estimates. His authorities as chairman of other boards and committees are similarly limited. The DCI has direct or line authority only over those elements of the collection and production communities that are part of CIA.

Though they pay lip service to the DCI's primacy, program managers within the Community (outside of CIA) are primarily influenced by the views of their own line superiors or of those who control their budgets. It is possible for a staff officer who controls resources to exert as strong an influence over an organization, at least on some issues, as its nominal departmental superior. In intelligence as elsewhere, money talks.

There is no single manager for an enterprise as complex and as expensive as the national intelligence system which has evolved over the past quarter century. The DCI not only lacks line authority, but his ability to use the management devices we have identified is at

best limited. In cases of conflict, the DCI's only real recourse is to go directly to the President, a course of action that must be taken sparingly.

-- In the resource field his nominal authority is limited to giving advice to the President through the Office of Management and Budget. It is sometimes further limited by the DCI's inability to acquire important information on resource issues in timely fashion. (A full discussion of this problem follows in the next section.)

-- In collection management, the DCI has no mechanism cutting across independent and autonomous systems. As head of the "Community" he has a set of USIB Committees, developed ad hoc and operating independently, responsible for individual systems. They range from the Committee on Imagery Requirements and Exploitation (COMIREX), which is elaborately developed and in which he has strong influence, to the Human Sources Committee, which is rudimentary and through which his influence over Foreign Service reporting is minimal. Also, important collection management decisions are often made outside the USIB structure, in the Intelligence Resource Advisory Committee (IRAC) or in the National Reconnaissance Program Executive Committee (EXCOM). Here at least the DCI plays a major role, but sometimes such decisions are made between individual producers and collectors, or by individual system managers acting on their own. Annex B deals in greater detail with these matters.

-- The DCI's authority in product review is more fully established than in any other field, probably because it was so clearly the intent of the 1947 Act to give him this power. He exercises it through USIB's consideration of National Estimates, through the less formal procedures of current intelligence, and through his contribution to the NSC and its sub-Committees. The Act that set up the DCI also authorized the continuing production of departmental intelligence, however, and the distinction between departmental and national gets exceedingly blurred at senior policy levels. Departmental views regularly bypass the national system. Mechanisms for the evaluation, or consumer response, aspect of product review are less structured and much less effective. The National Security Council Intelligence Committee (NSCIC), charged with this function, has met only twice in four years. A further analysis of national intelligence production appears as Annex D.

-- No DCI has ever asserted, much less exercised, the right to inspect in the traditional sense intelligence agencies other than CIA, although such a right is implicit to some degree in the basic statutes and directives.

We believe that at the national level resource management, collection management, and product review and evaluation should all be parts of an integrated system. In fact, although a beginning has been made in relating these functions systematically to one another, they are fragmented.

RELATIONSHIPS WITH THE DEPARTMENT OF DEFENSE

Through the preceding discussion runs a common thread: the difficulty the DCI has in dealing with the Department of Defense. The drafters of the Act did not address this squarely in 1947, and it remains a fundamental problem in 1975, one that has blocked the creation of a coherent national intelligence system. In the absence of a clearly understood and mutually agreed relationship between the DCI and Defense, the best each can hope for is compromise and improvisation to bridge differences of view and perspective affecting a wide range of issues.

These differences fundamentally affect the overall management of national intelligence and, ultimately, the intelligence product. The responsibility of the Secretary of Defense in peace is to prepare the forces needed to defend the nation; in war, to fight and win it. These responsibilities dictate certain organizational, programmatic, budgetary, and other needs. The responsibility of the DCI in peace is to produce intelligence for a variety of national purposes, a responsibility which is also mirrored in his programs and priorities. His responsibility in war is nowhere defined.

It has been argued that this difference is irrelevant: in peacetime, the DCI and Defense missions can be made more or less compatible given a certain amount

of goodwill; major war, in the unlikely case it ever comes, will make any extant arrangements meaningless in any event. This argument misses the point. For Defense, wartime requirements have a critical impact on peacetime priorities and organization. Defense must plan for war, regardless of its likelihood or consequences, if only to prevent it, and must assure itself in peace that it will have the intelligence capabilities it will need in war. Of necessity, Defense takes this responsibility seriously. In so doing, however, its interests often run counter to the interests of the DCI.

Different Customers in Intelligence

The basic difference in mission and responsibility outlined above is reflected in differing perceptions of the ultimate customers of the intelligence product. The DCI must serve the President, the National Security Council and its staff, the senior economic policy officers, and, to the extent he is invited, the leadership of State and Defense. Defense intelligence, on the other hand, must meet the needs of what Defense terms the National Command Authority (NCA) -- a single chain of command reaching from the President through the Secretary of Defense to the Joint Chiefs of Staff -- and those of the entire range of field commanders.

For his customers, the DCI must provide intelligence across the entire spectrum of national interests. He recognizes the importance of major strategic questions

but also must give attention to the large economic and political issues which will be central concerns of our foreign policy for the rest of this century. For the NCA, however, military questions must be paramount and must be considered from both the strategic and the operational viewpoint. The field commander at every level needs intelligence in great detail on the forces and weapons that might oppose him. Moreover, he must amass it in peacetime if he is to be effective in war. He believes he must exercise in peace the collection assets that will support him in war, both to collect intelligence and to train them for their wartime missions.

These institutional differences are reinforced by the attitudinal ones standard to civilian-military relations. There is understandable resistance in Defense, particularly in the uniformed military, to the concept that civilian outsiders should provide independent analyses to the President which affect decisions regarding US military forces.

Thus, there is in peacetime a broad divergence of national and departmental intelligence interests. This can be seen in what we have called the "transition problem," which is our shorthand description of the fact that Defense fights hard to assert control over certain technical collection assets in peace because it will need them in war. It can be seen in the closely related "national-tactical problem," where, because tactical intelligence needs must increasingly be met by centrally

controlled national systems, Defense naturally tries to assert effective control over those systems. It can be seen with respect to the "crisis management problem." Finally, it can be seen in the resources world where the DCI's attempts to assert his staff responsibility with respect to Defense intelligence budgetary matters meet understandable resistance.

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RELATIONSHIPS WITH THE DEPARTMENT OF STATE

The DCI's relations with the Secretary of State, though less complex than those with the Secretary of Defense, also present a number of important and persistent problems. (We speak here of the general relationship, not of the unusual situation created by the dual responsibilities of Dr. Kissinger.)

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